

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|--------------------------------------|---|-----------------|
| THE APPLICATION OF VARTEC TELECOM, |) | |
| INC. FOR A CERTIFICATE OF PUBLIC |) | |
| CONVENIENCE AND NECESSITY TO PROVIDE |) | CASE NO. 93-130 |
| INTRASTATE RESOLD TELECOMMUNICATIONS |) | |
| SERVICES AS A NONDOMINANT CARRIER |) | |

O R D E R

IT IS ORDERED that VarTec Telecom, Inc. ("VarTec") shall file the original and 10 copies of the following information with the Commission. The information requested shall be placed in a bound volume with each item tabbed.

The information requested herein is due no later than 30 days from the date of this Order. If the information cannot be provided by this date, VarTec shall submit a motion for an extension of time stating the reason a delay is necessary and include a date by which the information can be furnished. Such motion will be considered by the Commission.

1. Has VarTec or any of its affiliates ever provided, and/or collected any money from the public for the provision of, intra-state telecommunications services in Kentucky? If so, explain in detail.

2. Does VarTec or any affiliate own and/or operate any coin-operated telephones in any jurisdiction? If so, explain.

3. Does VarTec intend to be associated in any way with the provision of coin-operated telephone service in Kentucky? If so, explain.

4. Does VarTec or any affiliate own and/or operate any transmission facilities in any jurisdiction? If so, explain.

5. Does VarTec or any affiliate intend to own, operate, or control (including lease) any transmission facilities within Kentucky? If so, will these facilities be capable of carrying intrastate¹ calls, and how will VarTec ensure that intrastate access charges are paid?

6. Which carriers' services does VarTec intend to resell?

7. If VarTec intends to resell tariffed services of facilities-based carriers, identify these tariffed services and specify whether these services will be obtained from intrastate or interstate tariffs.

8. If VarTec intends to resell services that are not available under an approved tariff, provide copies of the contracts which govern the terms of the agreement between VarTec and its facilities-based carriers.

9. Explain how VarTec intends to provide directory assistance to its customers without providing other operator-assisted services. Include descriptions of how directory assistance calls will be routed, types of access used, and the location of operator centers.

¹ This Commission emphasizes that the specific routing of a call is not relevant in determining the jurisdictional nature of the telecommunications traffic being carried, rather that the points of origination and termination specify whether or not a call is intrastate or interstate.

10. Does VarTec intend to provide directory assistance to its subscribed customers only, or for other carriers as well?

11. Describe typical scenarios in which a call will be handled by VarTec, both with and without directory assistance. Include all routing information and the types of access used.

12. Explain what types of customers (residential, small business, large business, etc.) are expected to use VarTec's directory assistance services in place of the local exchange carriers' or the interexchange carriers' directory assistance services. What advantages can VarTec offer its customer compared with these other directory assistance services providers?

13. VarTec shall revise its tariff sheets to comply with the conditions of service for the provision of operator-assisted services adopted from this Commission's Orders in Administrative Case No. 330,² and summarized in Appendix A, that apply to the provision of directory assistance services.

14. State whether VarTec is requesting intraLATA operating authority. If so, is VarTec aware of and able to comply with the provisions of Administrative Case No. 323?³

² Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services, Orders dated March 27 and May 3, 1991.

³ Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality, Phase I, Order dated May 6, 1991.

15. Provide an estimate of sales revenues for VarTec's first 2 years of Kentucky operations. Explain how VarTec arrived at these estimates. If estimates are based upon a market study, provide a copy of this study.

16. Provide a listing of financial institutions with which VarTec has a line of credit. State VarTec's credit line with each of these institutions.

17. Provide revised tariff sheets for the following items:

a. Refer to Original Sheet 12, Section 2.7.1. Insert the language, "within twenty-four hours," at the end of the paragraph.

b. Refer to Original Sheet 13, Section 2.8.2. Explain the criteria applied and the methodology used in determining when a new advance payment would be collected.

c. Refer to Original Sheet 13, Section 2.9.1. Insert the language, "in compliance with 807 KAR 5:006, Section 14," at the end of the first paragraph.

d. Refer to Original Sheet 17, Section 2.14.2(C). State that the utility will only disconnect service without advanced notice for dangerous conditions or for illegal use or theft of service.

e. Refer to Original Sheet 21, Section 3.3. Include in your definition Section 1.0 a definition of local calling areas and/or extended local calling areas.

f. At the end of Section 2.3, add a new Section 2.3(F) and include the following language:

Acceptance by the Commission of the liability provisions contained in this tariff does not constitute its determination that the limitation of liability imposed by the company should be upheld in a court of law, but the recognition that, as it is the duty of the courts to adjudicate negligence claims and rights to recover damages therefor, so it is the duty of the courts to determine the validity of the exculpatory provisions of this tariff.

Done at Frankfort, Kentucky, this 19th day of May, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 93-130 DATED 5/19/93

Conditions of Service for the Provision of Operator Services Adopted from Commission Orders in Administrative Case No. 330, Orders Dated March 27, 1991 and May 3, 1991.

VarTec Telecom, Inc. shall revise its tariff to conform to the policies and procedures for the provision of operator-assisted telecommunications services by non-local exchange carriers, which are as follows:

(a) Operator-assisted services shall be subject to rate regulation and rates shall not exceed AT&T's maximum approved rates. "Maximum approved rates" is defined to mean the rates approved by this Commission in AT&T's most recent rate proceeding for measured toll service applicable to operator-assisted calls, as well as the additional charges for operator assistance. Carriers are not permitted to include any other surcharges or to bill for uncompleted calls. Time-of-day discounts shall also be applicable. Carriers are also required to rate calls using the same basis that AT&T uses to rate calls, i.e., distance calculations based on points-of-call origination and termination, definitions of chargeable times, billing unit increments, rounding of fractional units, and minimum usages. When there is any change in AT&T's maximum approved rates, carriers shall file tariffs if necessary to comply with the requirements herein within 30 days of the effective date of AT&T's rate change.

(b) Except as otherwise indicated in this Order, non-dominant carriers shall be subject to regulation as delineated in the May 25, 1984 Order in Administrative Case No. 273 as well as any subsequent modifications to non-dominant carrier regulations. In the event of conflict, the terms of the instant Order shall take precedence, unless a carrier is specifically relieved from compliance with any conditions contained herein. AT&T shall remain subject to regulatory oversight as a dominant carrier.

(c) Operator service providers that provide service to traffic aggregators shall not allow access to the operator services of competing carriers to be blocked or intercepted. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(d) Access to the local exchange carriers' operators shall not be blocked or otherwise intercepted by traffic aggregators. Specifically, all "0-" calls, that is, when an end-user dials zero without any following digits, shall be directed to the local exchange carrier operators. In equal access areas, "0+" intraLATA calls, that is, when an end-user dials zero and then dials the digits of the called telephone number, shall not be intercepted or blocked. In non-equal access areas, it is prohibited to block or intercept "0-" calls; however, it is permissible to intercept "0+" calls. Blocking and interception prohibitions shall be included in tariffs and all contracts entered into with any traffic aggregator and shall state

that violators will be subject to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(e) Carriers shall not be required to provide access codes of competitors. Each carrier should advise its own customers as to the appropriate 10XXX access code.

(f) Carriers shall provide tent cards and stickers to traffic aggregators to be placed near or on telephone equipment used to access their services and shall include provisions in tariffs and contracts entered into with any traffic aggregator that subject violators to immediate termination of service after 20 days' notice to the owners of non-complying customer premises equipment.

(g) Operators shall identify the carrier at least once during every call before any charges are incurred.

(h) Operators shall provide an indication of the carrier's rates to any caller upon request.

(i) Carriers shall not accept calling cards for billing purposes if they are unable to validate the card.